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The Commonwealth of Massachusetts

*Mass.: Auditor's dept.*

DEPARTMENT OF THE AUDITOR

ANNUAL REPORT

FOR THE

Year Ending November 30, 1931



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# DEPARTMENT OF THE AUDITOR

## ANNUAL REPORT

TO THE HONORABLE SENATE AND HOUSE OF REPRESENTATIVES:—

I have the honor of presenting the Annual Report of my Department for the year ending November 30, 1931.

The accounts of the Treasurer and Receiver-General were examined. The cash on hand was counted, the bank accounts reconciled and the composition of cash balances verified. The actual securities in the custody of the State Treasurer applying on invested funds were checked to the various lists, and it was found that all the securities listed as on hand were actually in the vaults.

The accounts of the Income Tax Division were examined for the fiscal year ending November 30, 1930.

An audit was made of the accounts of the Purchasing Bureau. An inventory of the stock on hand was taken and checked to the stock records. The transactions in the Purchasing Agent's revolving fund of \$50,000.00 were verified and the correctness of the fund established.

Examinations have been made of the accounts of all State departments, institutions and other activities of the Commonwealth. The Department was handicapped this past year because in addition to making the regular yearly examination, audits had to be made covering periods up to several years due to the fact the audit had not been made at the prescribed time. Among the departments which had to be audited for a period longer than a year and the periods covered, are the following:—

	FROM		TO
Department of Agriculture	July	17, 1929	March 25, 1931
Division of Animal Industry	February	18, 1929	September 15, 1931
Division of Banks	September	3, 1929	November 4, 1931
Superintendent of Small Loan Agencies	July	18, 1929	March 24, 1931
Department of Corporations and Taxation, Division of Accounts	July	31, 1929	April 8, 1931
Mass. Nautical Training School	October	5, 1929	January 31, 1931
Board of Registration in Medicine, Nurses and Chiropody	October	31, 1929	May 1, 1931
Gardner State Colony	September	4, 1929	April 28, 1931
Monson State Hospital	September	17, 1929	May 18, 1931
Westborough State Hospital	November	4, 1929	January 8, 1931
State Prison	December	1, 1928	November 30, 1930
Mass. Reformatory	June	14, 1928	February 25, 1931
Reformatory for Women	November	15, 1929	March 2, 1931
Department of Public Welfare	October	1, 1929	November 30, 1930
Boys' and Girls' Parole	October	31, 1929	December 31, 1930
Department of Public Health	December	1, 1928	November 30, 1930
Lakeville State Sanatorium	November	12, 1929	May 13, 1931

These examinations were made in addition to the regular audits conducted by the Department, as shown in this report.

In addition to the departments and institutions listed above, a detailed examination had to be made of the accounts of the Department of Industrial Accidents, covering a period of several years. These accounts had been audited each year and their methods approved, and the Department of Industrial Accidents naturally assumed that their books were correct up to the date of the last audit. However, upon investigation it was found that the accounts were confused, due to bookkeeping errors, differences between the spelling of names by insurers and by the department, charge and credit errors on the part of both the department and insurers which necessarily had to be corrected, and the fact that by reason of the lapse of time since the last verification of unpaid bills by the Auditor's Office it was difficult to obtain essential information. It was deemed advisable to rewrite the financial records from December 1, 1925 to date. The work was further complicated by the fact that the insurance companies keep a record of their charges by cases whereas the department keeps it by



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companies, and it was difficult for them to secure the information which was needed. In addition, during the period some insurance companies merged and destroyed their old records, a condition which necessarily made the work more difficult. The department cooperated in this work and it is believed that the accounts now outstanding, after certain adjustments, are correct.

In the audit of certain institutions under the Department of Correction my Department has dealt with Chapter 387 of the Acts and Resolves of 1928, which legislation was entitled, "An Act to improve the administration of prison industries and to abolish gratuities to prisoners in certain institutions." In fact, the law simply purports to establish a system of pay for inmates of certain penal institutions. It was found that absolutely no attempt was made to enforce this legislation in the reformatory at Concord, with the result that the Commonwealth owes a considerable sum of money to the inmates and former inmates of that institution. The report based on the last audit made at Concord sets forth the facts fully. At the State Prison it was found that the law was not very satisfactorily enforced.

A reading of the 1928 statute shows that it is complex, somewhat indefinite, and very difficult to interpret. Different points of view may be reasonably taken as to the meaning of certain parts of the law.

It is suggested that a more practical and less complicated law be substituted in place of the 1928 statute. It is also suggested that steps be taken immediately to pay to the inmates and former inmates of Concord the money that is owed them. Since legislation embodying these suggestions could probably be drawn better by the Commissioner of Correction or by the Commission on Administration and Finance, I have not submitted any proposed legislation.

There are other suggestions which I would make as to legislation, most of which concern the powers of the Auditor, but because of the limitation placed upon the scope of the annual report of the Auditor by section 16 of chapter 362 of the Acts and Resolves of 1923, I am embodying these suggestions in the form of a separate bill.

The following schedule lists the audits made by the department during the fiscal year ending November 30, 1931:—

	FROM		TO	
<b>General Administration:</b>				
Secretary's Department .....	August	31, 1930	September	23, 1931
Treasurer's Department .....	December	1, 1929	November	30, 1930
Adjutant General's Department .....	November	30, 1929	November	18, 1930
Attorney General's Department .....	December	1, 1929	November	30, 1930
State Library .....	December	1, 1929	May	7, 1931
<b>Department of Administration &amp; Finance:</b>				
Purchasing Bureau .....	December	1, 1929	November	30, 1930
Superintendent of Buildings .....	December	1, 1929	May	8, 1931
<b>Department of Agriculture:</b>				
General Department .....	July	17, 1929	March	25, 1931
<b>Department of Conservation:</b>				
Division of Animal Industry .....	February	18, 1929	September	15, 1931
Division of Fisheries and Game .....	January	1, 1930	December	31, 1930
Division of Forestry .....	February	17, 1930	September	8, 1931
<b>Department of Banking and Insurance:</b>				
Division of Banks .....	September	3, 1929	November	4, 1931
Division of Insurance .....	December	1, 1929	November	30, 1930
Superintendent of Small Loan Agencies .....	July	18, 1929	March	24, 1931
<b>Department of Corporations &amp; Taxation:</b>				
Income Tax Division .....	December	1, 1929	November	30, 1930
Division of Accounts .....	July	31, 1929	April	8, 1931
<b>Department of Education:</b>				
General Department .....	October	14, 1930	October	14, 1931
Bridgewater Normal School .....	October	29, 1930	October	24, 1931
Fitchburg Normal School .....	October	20, 1930	October	19, 1931
Frammingham Normal School .....	July	16, 1930	October	5, 1931
Hyannis Normal School .....	April	3, 1930	November	16, 1931
Lowell Normal School .....	January	30, 1930	February	24, 1931
North Adams Normal School .....	September	9, 1930	October	5, 1931
Salem Normal School .....	September	18, 1930	October	6, 1931
Westfield Normal School .....	December	31, 1929	June	16, 1931
Worcester Normal School .....	December	5, 1929	February	5, 1931
Massachusetts School of Art .....	October	14, 1930	October	14, 1931
Bradford Durfee Textile School .....	October	28, 1930	October	22, 1931
Lowell Textile Institute .....	April	28, 1930	April	2, 1931
New Bedford Textile School .....	November	14, 1930	October	23, 1931
Massachusetts Agricultural College .....	December	1, 1929	November	30, 1930
Division of the Blind .....	December	1, 1929	November	30, 1930
Teachers' Retirement Board .....	January	1, 1930	December	31, 1931
Massachusetts Nautical Training School .....	October	5, 1929	January	31, 1931

FROM

TO

Department of Civil Service & Registration:				
Board of Registration in Pharmacy	July	7, 1930	September	8, 1931
Board of Registration in Medicine and Nurses and Chiropody	October	31, 1929	May	1, 1931
Board of Dental Examiners	September	4, 1930	September	22, 1931
Board of Registration in Embalming	July	9, 1930	August	4, 1931
Department of Civil Service & Registration:				
Board of Registration in Optometry	September	4, 1930	September	24, 1931
Board of Registration in Veterinary Medicine	November	30, 1929	August	10, 1931
Board of Registration in Plumbing	June	30, 1930	September	8, 1931
Board of Registration of Certified Public Accountants	December	1, 1929	November	30, 1930
State Examiners of Electricians	December	1, 1929	March	12, 1931
Department of Labor and Industries:				
Division of Standards	September	1, 1930	October	31, 1931
Department of Industrial Accidents:				
General Department	December	1, 1925	November	30, 1931
Department of Mental Diseases:				
General Department	June	30, 1930	June	23, 1931
Belchertown State School	June	26, 1930	September	9, 1931
Boston Psychopathic Hospital	February	5, 1930	February	26, 1931
Boston State Hospital	March	28, 1930	March	17, 1931
Danvers State Hospital	September	24, 1930	November	9, 1931
Foxborough State Hospital	May	19, 1930	July	20, 1931
Gardner State Colony	September	4, 1929	April	28, 1931
Grafton State Hospital	January	31, 1930	April	10, 1931
Medfield State Hospital	March	3, 1930	March	3, 1931
Metropolitan State Hospital	September	4, 1929	November	10, 1931
Monson State Hospital	September	17, 1929	May	18, 1931
Northampton State Hospital	June	4, 1930	September	8, 1931
Taunton State Hospital	January	20, 1930	June	22, 1931
Westborough State Hospital	November	4, 1929	January	8, 1931
Worcester State Hospital	March	26, 1930	April	29, 1931
Walter E. Fernald State School	August	27, 1930	September	30, 1931
Wrentham State School	December	27, 1929	June	29, 1931
Department of Correction:				
State Prison	December	1, 1928	November	30, 1930
State Prison Colony	March	13, 1930	June	22, 1931
Massachusetts Reformatory	June	14, 1929	February	25, 1931
Reformatory for Women	November	15, 1929	March	2, 1931
Prison Camp and Hospital	May	21, 1930	October	5, 1931
State Farm	June	30, 1930	November	3, 1931
Department of Public Welfare:				
General Department	October	1, 1929	November	30, 1930
State Infirmary	September	26, 1930	August	14, 1931
Industrial School for Boys	March	3, 1930	July	15, 1931
Industrial School for Girls	September	5, 1930	October	19, 1931
Lyman School for Boys	January	14, 1930	October	13, 1931
Massachusetts Hospital School	April	21, 1930	June	22, 1931
Boys' and Girls' Parole Department	October	31, 1929	December	31, 1930
Department of Public Health:				
General Department	December	1, 1928	November	30, 1930
Lakeville State Sanatorium	November	12, 1929	May	13, 1931
North Reading State Sanatorium	December	31, 1929	December	19, 1930
Rutland State Sanatorium	June	30, 1930	October	5, 1931
Westfield State Sanatorium	July	25, 1930	September	8, 1931
Pondville Cancer Hospital	June	19, 1930	July	22, 1931
Department of Public Safety:				
General Department	December	1, 1929	November	30, 1930
Department of Public Works:				
General Department	December	1, 1929	August	31, 1931
Registry of Motor Vehicles	March	1, 1930	March	1, 1931
Department of Public Utilities:				
General Department	January	28, 1930	February	4, 1931
Metropolitan District Commission:	December	1, 1929	November	30, 1931
Metropolitan District Water Supply Commission:	December	1, 1929	November	30, 1931

Respectfully submitted,

FRANCIS X. HURLEY,

*Auditor of the Commonwealth.*